



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

Regulatory Division (1145)
CEPOA-RD
3437 Airport Way #206
Fairbanks, AK 99709

PUBLIC NOTICE DATE: June 7, 2007

EXPIRATION DATE: June 22, 2007

REFERENCE NUMBER: POA-1993-917-R

WATERWAY: Idaho Gulch

Interested parties are hereby notified that a Department of the Army permit application has been received for work in waters of the United States as described below and shown on the enclosed project drawings.

APPLICANT: Doug Baker, Post Office Box 37, Manley Hot Springs, Alaska 99756

LOCATION: The project site is located within sections 13 and 24, T. 3 N., R 17 W., Fairbanks Meridian; USGS Quad Map Tanana A-2; which is located at Latitude 65.0795° N., Longitude -150.9059° W.; near Tofty, Alaska

PURPOSE: The applicant's stated purpose is a time extension and expansion of an ongoing mining operation in Idaho Gulch.

PROPOSED WORK: Stripping of approximately 300,000 cubic yards (cy) of overburden to extract gold and tin.

ADDITIONAL INFORMATION: Stripping of approximately 150,000 cy of overburden from an area along the right limit of the existing cut. The hydraulically removed overburden will be slurried into the adjacent settling pond where the water will be recirculated to the hydraulic monitors. An additional 150,000 cy of overburden will be mechanically stripped via dozer, loader and an excavator. This material will be placed in the adjacent mined portion of the pit. This process will continue until the total area is mined leaving an approximately 10 acre pit on the northwest or right limit of the area to be disturbed. Final reclamation will allow the adjacent overburden pond to drain into the final pit which will become a pond.

HISTORICAL INFORMATION:

The original permit was issued in 1993 for the discharge of approximately 3,592,000 cy of fill material into approximately 75.49 acres of waters (wetlands) of the U.S. in conjunction with placer mining activities to be conducted during the mining seasons of 1994, 1995, and 1996 within Cache Pit, Sullivan Pit, and Idaho Gulch.

In December, 1996, the permit was modified to include excavation and land clearing work in 1.0 acres of wetlands along Quartz Creek, approximately 5.5 acres of wetlands on Miller Gulch, and approximately 5.0 acres of wetlands on Woodchopper Creek in conjunction with new exploration drilling activities as well as a time extension of three years.

A new modification was granted in April 1998 to include additional wetland impacts of 10 acres in the Cache Creek Pit and 8.5 acres at Miller Gulch with a new time extension through April 30, 2001.

In February of 2000 a modification was again authorized to conduct work in an additional 5.7 acres of wetlands on Cache Creek and 14.6 acres of wetlands in Idaho Gulch, the expiration of the permit was left April 30, 2001.

In April 2001 a new modification was authorized to continue previous work on Cache Creek and to expand the Sullivan Pit by 12.1 acres of wetland impacts. The time limit was extended to April 30, 2004.

On March 12, 2004 a time extension was issued through April 30, 2007.

Reclamation has been ongoing throughout the operation with the majority of the previously mined area being reclaimed into lakes for migratory waterfowl.

The original and subsequent permits included numerous drainage areas spread over several miles: Cache Creek Pit, Sullivan Creek Pit, Idaho Gulch, Quartz Creek, Miller Gulch, and Woodchopper Creek. This permit application will now be limited to the Idaho Gulch mining activities. The other drainages will be evaluated individually under the Clean Water Act, under new separate Annual Placer Mining Applications (APMAs).

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

CULTURAL RESOURCES: The latest published version of the Alaska Heritage Resources Survey (AHRs) has been consulted for the presence or absence of historic properties, including those listed in or eligible for inclusion in the National Register of Historic Places. There are two unevaluated properties in the vicinity of the worksite. They have been designated TAN-00009/Tofty, NDE; and TAN-00032/Clearly Hill Camp, NRJ. Because the properties have been determined to be outside of the project area, no further action is required. Consultation of the AHRs constitutes the extent of cultural resource investigations by the District Engineer at this time. This application is being coordinated with SHPO. Any comments SHPO may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work.

ENDANGERED SPECIES: No threatened or endangered species are known to use the project area.

Preliminarily, the described activity will not affect threatened or endangered species, or modify their designated critical habitat, under the Endangered Species Act of 1973 (87 Stat. 844). This application is being coordinated with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service (NMFS). Any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH).

Preliminarily, the described activity will not affect EFH in the project area. This Public Notice initiates EFH consultation with the NMFS. Any comments or recommendations they may have concerning EFH will be considered in our final assessment of the described work.

TRIBAL CONSULTATION: The Alaska District fully supports tribal self-governance and government-to-government relations between Federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision. Please contact **Mary Romero** at (907) 753-2712, toll free from within Alaska at (800) 478-2712, or by email at **mary.r.romero@poa02.usace.army.mil** if further information is desired concerning this notice.

AUTHORITY: This permit will be issued or denied under the following authorities:

(X) Discharge dredged or fill material into waters of the United States - Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings are enclosed with this Public Notice.

District Commander
U.S. Army, Corps of Engineers

Enclosures

SARAH PALIN, GOVERNOR

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
401 Certification Program
Non-Point Source Water Pollution Control Program

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
WQM/401 CERTIFICATION
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501-2617
PHONE: (907) 269-7564/FAX: (907) 334-2415

NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

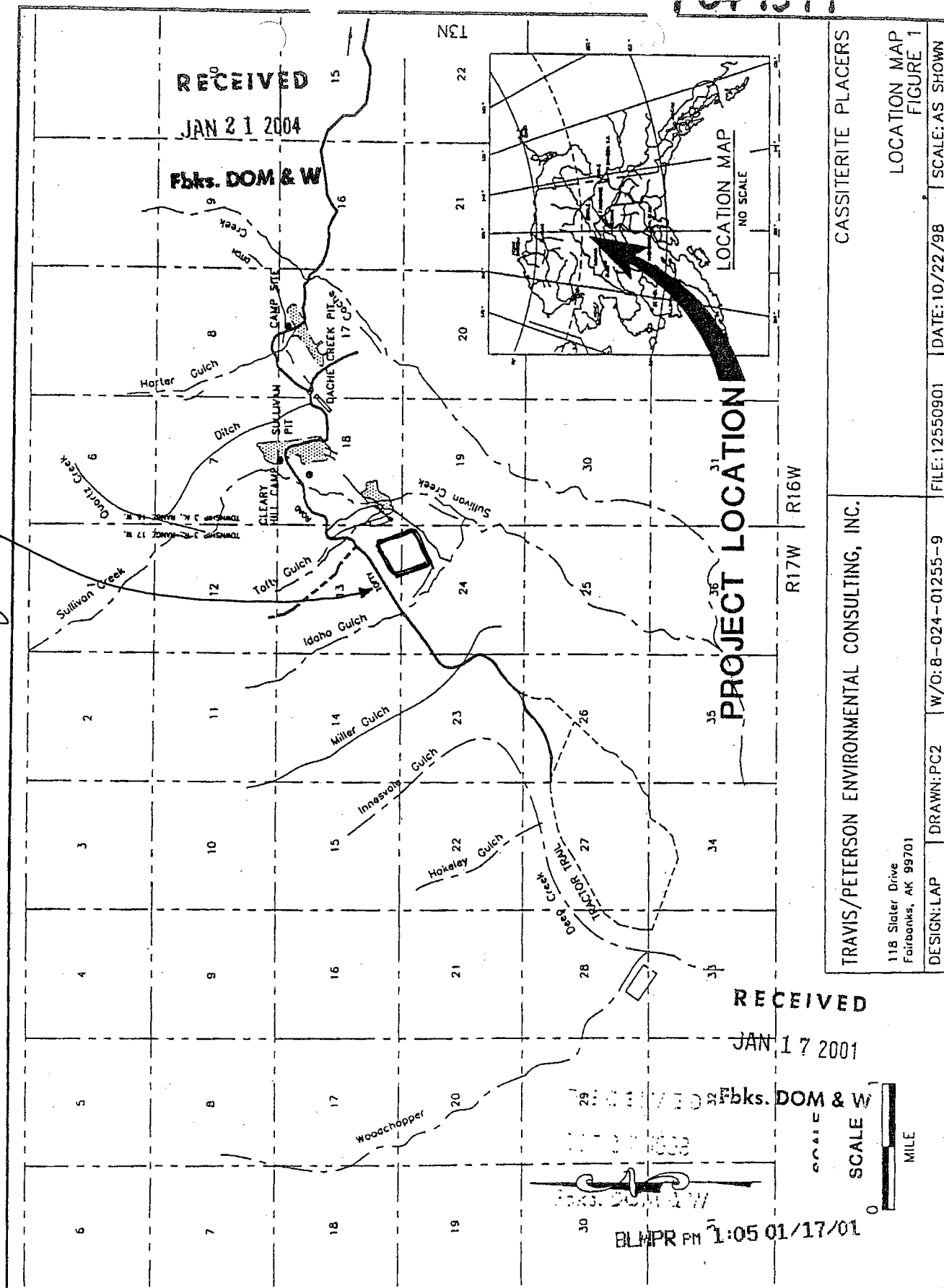
Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

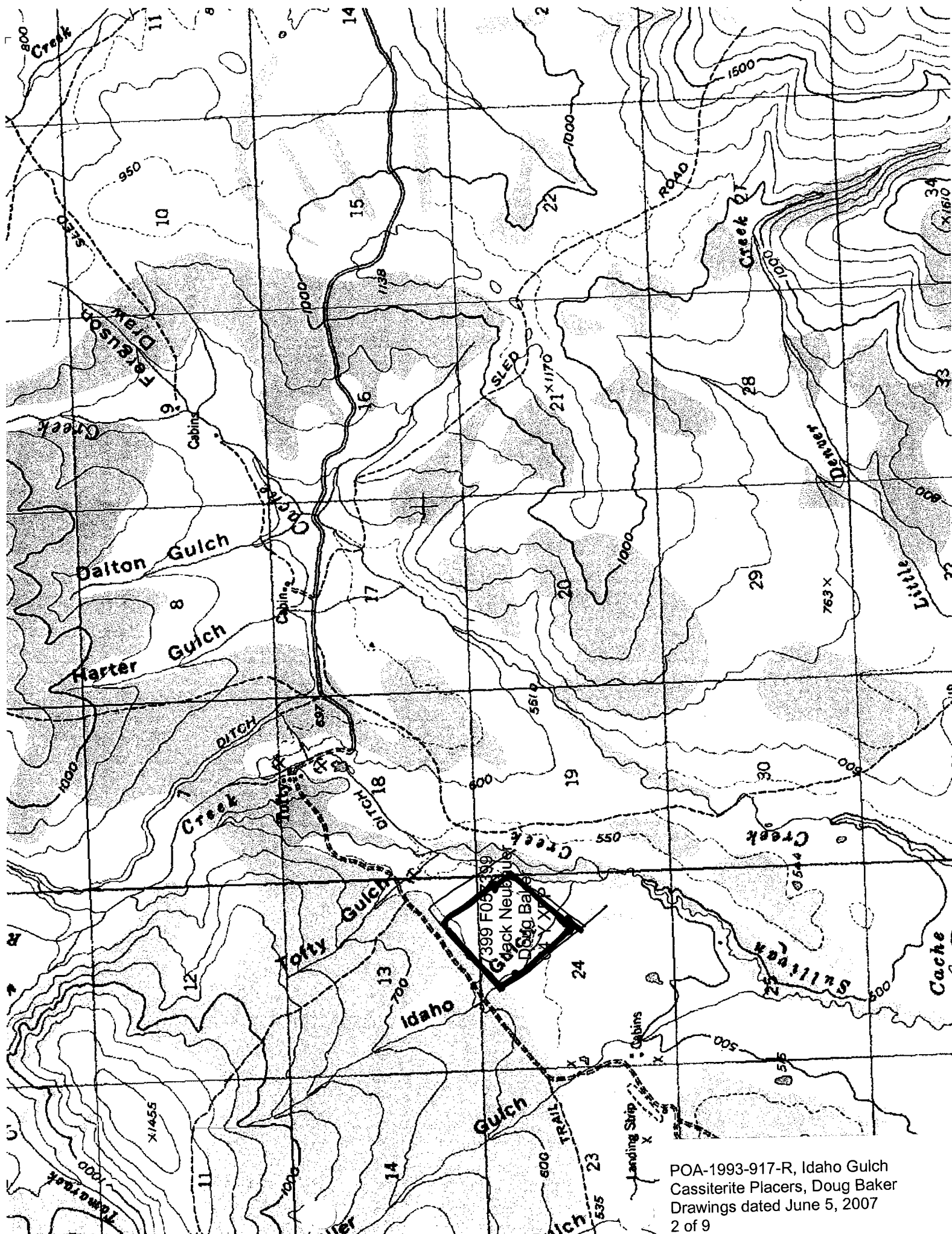
Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. **POA-1993-917-R, Idaho Gulch**, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

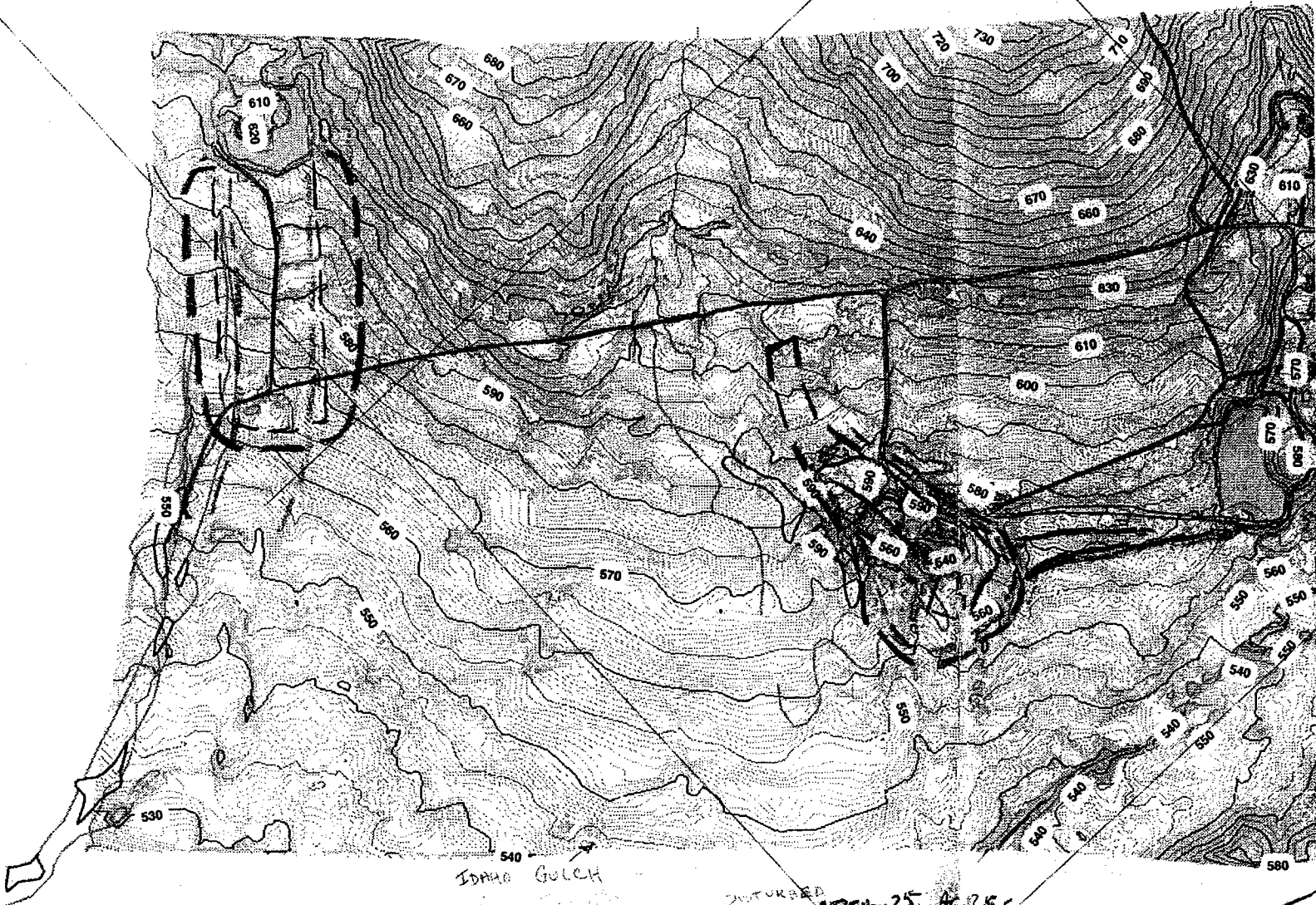
Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.

Project



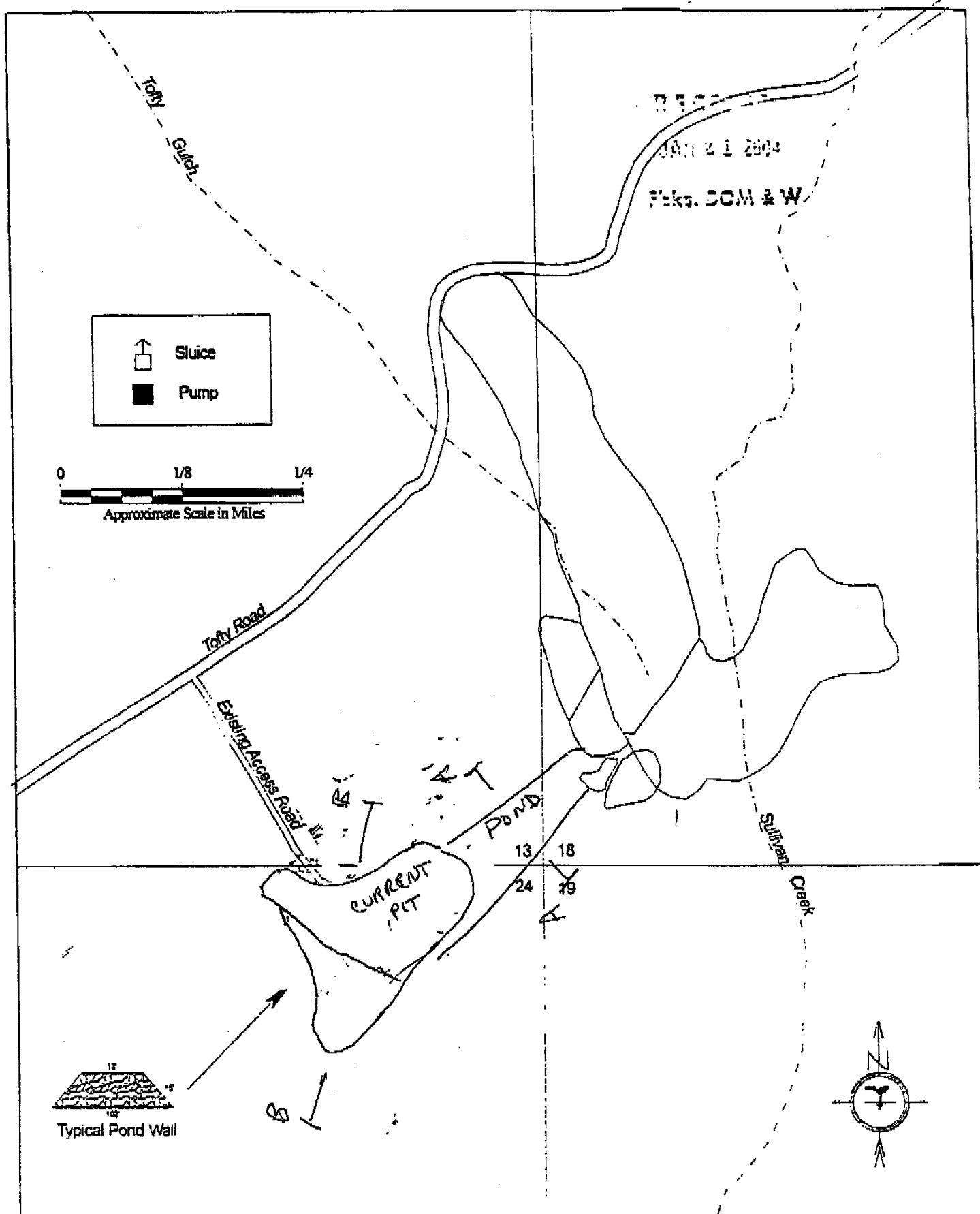


POA-1993-917-R, Idaho Gulch
 Cassiterite Placers, Doug Baker
 Drawings dated June 5, 2007
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IDAHO GULCH
 TOTAL PIT AREA + PRIOR CLEARED AREA - 25 ACRES
 CURRENT PIT + OVERBURDEN STOCKPILES
 PARTIALLY RECLAIMED - 13.5 ACRES
 TOTAL POND AREA 6.4 ACRES
 2007 PLAN ADDITIONAL 5.1 ACRES
 FINAL PIT ON RIGHT LIMIT ~ 10 ACRE
 (POND)

IDAHO GULCH SUMMARY
 TOTAL AREA TO BE DISTURBED 25 ACRES
 TOTAL AREA WITH PRIOR DISTURBANCE ~ 18 ACRES
 CURRENT PIT & OVERBURDEN AREA 13.5 ACRES
 Total Pond AREA 6.4 ACRES



TRAVIS/PETERSON ENVIRONMENTAL CONSULTING, INC.
329 2ND STREET
FAIRBANKS, ALASKA 99701

Mr. Doug Baker

PROJECT No: 1147-01

FILE: 1147/01/Figure 6 - Idaho Gulch.SKF

POA-1993-917-R, Idaho Gulch
Cassiterite Placers, Doug Baker
Drawings dated June 5, 2007
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PLAN MAP OF OPERATION

(33)

POND AREA
BEFORE MINING

A

A'

DURING MINING

A

A'

AFTER MINING

A

A'

PIT AREA
BEFORE MINING

B

B'

DURING MINING

B

B'

AFTER MINING

B

B'

(Attach Additional Sheets, Along With Detailed Explanations As Necessary)
PLEASE REVIEW THE SKETCH SHEET CHECKLIST TO ENSURE THAT ALL REQUIRE
INCOMPLETE SKETCH SHEETS WILL CAUSE THE ENTIRE A

POA-1993-917-R, Idaho Gulch
Cassiterite Placers, Doug Baker
Drawings dated June 5, 2007
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Introduction

The purpose of this attachment is to describe the Tofty gold-tin occurrence, a brief mining history, and future mining plans. Significant quantities of economic buried gold-tin placers occur along an eight-mile long by 1-mile wide trend near Tofty, central Alaska. The "Tofty Project" claim block is nearly 3,000 acres, encompasses all of the known placers along the trend and has a historic production in excess of 180,000 ounces of gold and 200 tons of tin. The total area currently economic to develop encompasses a total area of approximately 100 acres containing 5 ancient buried gulch placers. Our mine plan consists of mining in similar methods as prior operators utilizing both heavy equipment and hydraulic stripping methods. During 2007 it is anticipated that Mud Miner's (Doug Baker and associates) will hydraulically strip in Idaho Gulch, mechanically strip in Idaho Gulch and Miller Gulch and possibly strip hydraulically in late summer on Cashe Creek. In addition, it is planned during 2007 to perform exploration over a 3 acre area on the Quartz Creek Bench..

Proposed Mining Location

The proposed activity is placer mining and reclamation in Idaho Gulch, Miller Gulch, Cache Creek, Sullivan Pit North, and Quartz Creek Bench in Sections 7, 8, 17, and 18 in Township 3 North, Range 16 West, and Sections 13 and 24 in Township 3 North, Range 17 West, Fairbanks Meridian. All land within Township 3 North, Range 16 West is owned by the U.S. Bureau of Land Management and the land in Township 3 North, Range 17 West is owned by Doyon Limited.

Location/Access

The project area is located approximately 96 air miles west-northwest of Fairbanks and 10 air miles northwest of Manley Hot Springs. The property has excellent State maintained access via 80 miles of paved highway, 80 miles of improved gravel highway and 15 miles of a dirt road. Two landing strips also provide access to the property.

Claim description

The Tofty claim group consists of 90 unpatented mining claims covering approximately 2780 acres. All 90 claims were located and recorded between 1907 and 1965. The claim group is in good standing and all maintenance fees are current through September 1, 2006. The property encompasses all known ten buried gold-tin placers along the 8 mile southwest-northwest trend. The gold resources are buried by gravel and mud with overburden depths up to 180 feet at the far southwest end of the trend to 20 feet on the far northeast end. All areas currently with potential economic viability are at overburden depths of less than 60 feet.

History

Gold in the Manley Hot Springs mining district was first discovered on Tofty Gulch in 1907. Since 1907 both underground and surface production has exploited numerous discrete pay streaks named after the adjacent gulches and creeks. Most of the gulches contained high-grade pay streaks with common areas of multiple ounce per yard ground. Early production from 1907 until the 1920's was primarily from underground, with the exception of Tofty Gulch. Production during the 1930's until 1942 was both surface and underground, with surface work taking place in the shallower deposits located at Tofty and Sullivan gulches. Since the 1940's intermittent surface production has been conducted with a very minor amount of underground work.

Numerous individuals, smaller companies and several well-known successful mining companies, including the F.E Co., Alaska Gold Dredging Co., Cleary Hills Mines Co. explored and produced from the claim group. The current claim block was consolidated by Mac McGee (founder of Alaska Airlines) in the 1940's. Jack Neubauer became McGee's partner in 1964 and together they mined until the mid 1970's when Neubauer purchased out McGee's interest. Neubauer mined the property until the mid-1980's at which time he sold the property to Shoreham Resources. From the late 1940's until 1987 Neubauer and partners produced gold from Sullivan, Tofty and Cache creeks within a total area of 2,075,000 bedrock square feet ("bsf") or 48 acres. Shoreham explored and produced from the property from 1987 through 1993, further defining resources within Idaho, Tofty, and Cache Creeks and producing from Tofty and Cache. Shoreham's production was limited to 5 seasons from 1989 to 1993. Jack Neubauer purchased the property back from Shoreham and intermittently mined from 1994 to 2001, producing from Miller, Cache, Sullivan deposits and started stripping on Idaho Gulch.

In 2003, Doug Baker, dba Mud Miners Inc. entered a purchase agreement for the Tofty Claim block from Jack Neubauer, which is still current and in good standing. Since 2003 Doug Baker has developed and produced from Idaho Gulch by stripping overburden with both mechanized equipment and Hydraulic mining using a slurry pump and recycle water pump. The initial cut followed the left limit of the deposit as outlined by drilling. Overburden during 2003 was moved only with a dozer and excavator. During 2004, overburden was stripped using a dozer/excavator and 3 weeks of hydraulic stripping were conducted by pumping the Slurry via a pipeline to an existing pit at Tofty Gulch. Again in 2005 more dozer/excavator/loader stripping and one month of hydraulic stripping. In 2006, we finished filling the existing Tofty pit. All stripping is conducted with 100 % recycled water. We constructed a shallow pond adjacent and northeast from Idaho Gulch to Tofty Gulch. This pond will be sufficient to contain the remaining 200,000 bcy of mud overburden from Idaho Gulch. The pond was constructed directly adjacent to the pit to allow for runoff drainage to be directed into the final pit. Our current operation is on an area of 20 acres.

New camp

In 2004, Doug Baker relocated a satellite camp on top of old gravel tailings in Tofty Gulch with a total area of 0.7 acres. The camp consists of 3 Atco units moved from "Old Camp", a 20' x 20' cabin moved from Old Camp, and an 8' x 40' conex trailer brought from outside the area. The camp is located within less than 100' of Doyon/BLM Boundary.

Old Camp

Consists of an existing triple wide atco unit, a 40' x 40' steel building, and a 16' x 24' wood shop. We have continued to remove old steel and clean the area as requested by BLM. This camp will be used when developing and producing from Cache Creek.

Idaho Gulch

Claims: Discovery 61172, Elsie 61177, Sutherland Bench 61179, H.C.L. 61182

Development and limited production from Idaho Gulch was initiated by this operator in 2003. Prior disturbance was initiated on Idaho Gulch as early as 1910. Extensive underground workings producing tailings from ore and waste was placed on the surface by early miners. The tailings area approximately defined the area to be mined. The area was drilled in the 20's, 30's and 1980's. Neubäuers initiated clearing and limited hydraulic stripping in 200 and 2001. From 2003 to present a pit totaling 7 acres has been excavated to a depth of approximately 50 feet. The overburden has been transported both mechanically with heavy equipment and hydraulically. Hydraulic overburden has been used to fill an existing pit at Tofty Gulch and in a pond adjacent to the pit. Areas of Disturbance are as follows:

Total Area to be disturbed	32 acres
Historic mining areas	20 acres
Current pit and overburden stockpiles	13.5 acres
Current pond area	6.4 acres
Total operations area	19.9 acres
Current Wetlands Total	19.9 acres
Projected 2007 new disturbance	5.1 acres
Total 2007 Wetlands	25 acres

The 2007 excavation at Idaho Gulch will consist of hydraulically stripping approximately 150,000 bcy of overburden from an area along the right limit of the existing cut. The

hydraulically removed overburden will be slurried into the adjacent settling pond where the water will be recirculated to the hydraulic monitors. An additional 150,000 cy of overburden will be mechanically stripped via dozer, loader and an excavator. This material will be placed in the adjacent mined portion of the pit. This process will continue until the total area is mined leaving an approximately 10 acre pit on the northwest or right limit of the area to be disturbed. Final reclamation will allow the adjacent overburden pond to drain into the final pit which will become a pond.